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RUEHFK/AMCONSUL FUKUOKA 8085
RUEHHK/AMCONSUL HONG KONG 6533
RUEHNH/AMCONSUL NAHA 0467
RUEHOK/AMCONSUL OSAKA KOBE 1770
RUEHKS/AMCONSUL SAPPORO 8676
RUEHGH/AMCONSUL SHANGHAI 0428
RUEHC/DEPT OF INTERIOR WASHINGTON DC
RUEHBS/USEU BRUSSELS
RULSDMK/DEPT OF TRANSPORTATION WASHINGTON DC
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C O N F I D E N T I A L SECTION 01 OF 02 TOKYO 001489

SIPDIS

STATE FOR EAP/J, EEB/TRA FOR BYERLY
PASS TO USTR FOR BEEMAN
PASS TO DOT FOR GRETCH

E.O. 12958: DECL: 05/30/2018
TAGS: [EAIR](#) [ECON](#) [PGOV](#) [JA](#)
SUBJECT: PRESSURES BUILD FOR OPEN SKIES IN JAPAN

REF: TOKYO 1432

Classified By: Ambassador J. Thomas Schieffer. Reasons 1.4 (b/d).

¶1. (C) Summary: Following a May 20 Transportation Ministry presentation (ref), members of the Council for Economic and Fiscal Policy (CEFP) instructed the transportation minister to think more progressively and to return with a new plan this fall. The Council for Promotion of Regulatory Reform (CPRR) May 23 also criticized the Transport Minister's aviation plan. Finally, the Nikkei published an editorial May 26 detailing the shortfalls of Japanese aviation policy. While signs are that supporters of civil aviation liberalization may be becoming more vociferous, Transportation Ministry officials continue to resist any moves that might upset Japanese airlines or other interest groups. End Summary.

¶2. (U) The cabinet-level Council on Economic and Fiscal Policy (CEFP), according to documents published on its web site told Minister of Infrastructure, Land, Transport and Tourism (MLIT) Tetsuzo Fuyushiba his plan for the future of aviation in Tokyo is inadequate. The Council, which in addition to the Prime Minister and other cabinet members, includes a Tokyo University Economics professor, the Chairman of the Japan Business Federation (Keidanren), the CEO of a major Japanese trading company, and a prominent labor economics professor, said in its report May 20 that Open Skies is the way of the world and the future. The non-government members of the CEFP recommended the MLIT Minister start Open Skies negotiations with the EU and the U.S. as soon as possible. These CEFP members also recommended the Ministry find a way to raise the capacity of both Tokyo airports from roughly 700,000 annual slots to 800,000 annual slots and to include the Tokyo's commercial airports in Open Skies negotiations. Narita and Haneda have previously been excluded from Japan's Open Skies agreements with Korea, Thailand, Hong Kong, and Macao. The non-government members of the CEFP asked MLIT to provide a revised vision this fall for the future of Tokyo aviation. According to minutes from a May 14 CEFP meeting, Minister of Economy, Trade and Industry Akira Amari spoke out in support of Open Skies.

¶3. (U) Another body advising the Prime Minister, the Council for Promotion of Regulatory Reform (CPRR), also criticized the MLIT plan, publishing a critique of the Minister's vision on its web site. The CPRR report argues perimeter limits for daytime flights at Haneda, the Tokyo downtown airport, should be eliminated. The report also notes the EU and the U.S. should be targeted as destinations for service from Haneda. The report sets one million annual slots as the number of flights Tokyo Metropolitan airports should aim for and takes exception to the current limits on when flights can arrive and depart (ref). Many international airlines argue the current restrictions favor Japanese carriers.

¶4. (U) A May 26 Nihon Keizai Shimbun (Nikkei) editorial, headlined "Japan Left on Runway While Other Nations Take to Skies," also criticizes the meager number of available slots for flights in the Tokyo area. The editorial notes the U.S.-EU Open Skies agreement, which took effect in March this year, allows greater freedom to transit the Atlantic. The editorial opines Japan lags behind Western and other Asian countries in deregulating travel.

Comment

¶5. (C) While there have long been scattered Japanese voices for aviation liberalization, the recent statements seem indicate a rise in both in volume and level of support. The Transportation Ministry officials have told us they feel under increased pressure. Ministry officials, however, are

TOKYO 00001489 002 OF 002

deeply concerned about doing anything that might disadvantage Japanese businesses or upset other interest groups. Innately risk averse, they have also shown remarkable resistance to outside pressure for change, including pressure from the top levels of the GOJ. Their support for Abe's Asia Gateway initiative, GOJ's policy for nearly a year, can be called begrudging at best. For the civil aviation talks in Washington June 4 and 5, the challenge remains to prove to the Japanese that Open Skies will benefit Japan.

For provisional translations of the Council's on-line statements, please see the Japan Economic Scope at <http://www.intelink.gov/communities/state/jes>

SCHIEFFER